



energy fuels nuclear, inc.

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July 14, 1993

Mr. Holland Shepherd
Senior Reclamation Specialist
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED

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DIVISION OF
OIL GAS & MINING

Dear Mr. Shepherd:

Re: MiVida Mine Reclamation Site, M/037/028 San Juan, County, Utah Site Inspection, May 5, 1993

This letter is written following our July 9, 1993, telephone conversation, during which my recent (July 7, 1993) review of the MiVida mine site was discussed.

The Energy Fuels Nuclear, Inc. (EFNI), discission to evaluate the MiVida Mine reclamation and revegetation status was prompted by your June 11, 1993 letter, which described observations by the Utah Department of Oil, Gas and Mining (UDOGM) during their May 5, 1993 site review.

Although much of the described disappointment concerning soil erosion (outside and in reclaimed area) may be valid, plant growth is extremely abundant and has propagated very well during the first growing season since completing reclamation. The UDOGM early spring site visit did not witness new plant growth demonstrated at this late summer date.

Understanding that EFNI is no longer obligated to maintain reclamation conditions at this site, but corporate policy supports assuring regulatory agencies that EFNI is an environmentally responsible mining operator, the following work will be conducted at the MiVida mine site during July 1993:

1. Upper MiVida Area - The upper MiVida Mine reflects excellent plant growth and no disturbance of reclaimed areas (slopes) is proposed. Drainage from this area to lower sections of the mine site has established a natural "riprap" course and



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additional earthwork appears unnecessary. The mine shaft was completely filled and compacted with soil and rock but unexplainable subsidence in this area exposed the shaft collar. This condition will be rectified using finer backfill material (sand) and thereafter, topsoil will be placed to further disguise this location. Also, one surface drill hole was identified which was not previously filled during reclamation but will be plugged and filled at this time.

2. Middle MiVida/McCormick - Drainage from the surface pad flows to separate locations which have eroded the waste dump slopes. The drainage will be channeled to a common location to leave the dump area via a common channel filled with abundant "riprap." A berm around the pad perimeter will be reestablished as public protection. The access road to this site will be removed, scarified and seeded to prevent public vehicle access to the mine portal, railcars, and ore bin area.
3. Lower MiVida - The drainage systems through the Lower MiVida pad area will be improved, better directed and slowed via "riprap" material. A culvert and access road to this area will be removed to prevent public access. The embankment along the drainage system will be resloped to maintain stability.

Although much of the observed erosion occurred in areas beyond the original reclamation commitment, EFNI supports the importance of assuring a positive public impression for the reclaimed MiVida site. Therefore, during follow-up UDOGM review of these additional EFNI reclamation efforts, feel free to report the findings thereof (positive and negative) to my attention at the Fredonia, Arizona field office.

Very truly yours,

Roger B. Smith
Manager of Mining Operations

RBS/ksc

cc: Mr. Wallace M. Mays
Mr. Gerald F. Richards